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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
DAIRY DIVISION

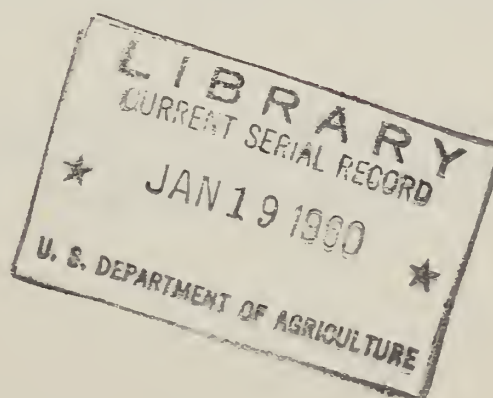
SUMMARIES OF
FEDERAL MILK MARKETING ORDERS

Revised through November 1, 1959

Errors sheet

Attached are summaries of Federal Milk Marketing Orders which became effective during the period August 2 through November 1, 1959. Summaries of orders which were revised and separate pages showing suspension orders and Federal Register citations during this same period are also included.

Agriculture - Washington



SUSPENSION ORDERS

(Issued during the period August 2-November 1, 1959)

Boston, Massachusetts: Page 4-4 - supply-demand factor fixed at -10 percent of price during May through August by previous suspension orders. Subsequent orders continue the supply-demand factor at -10 percent of price during September and October and at -12 percent of price, November and December.

Springfield, Massachusetts: Page 96-4 - same as Boston.

Worcester, Massachusetts: Page 99-4 - same as Boston.

Southeastern New England: Page 90-4 - same as Boston.

Connecticut: Page 119-4 - same as Boston.

North Texas: Page 43-4 - suspension of part of supply-demand provision, effective October 1, reduced the maximum supply-demand adjustment from 3 cents to 2 cents for October and November 1959. Suspension of provision by a subsequent order, effective December 1, 1959 continues this reduction indefinitely (Suspension has the same effect on the following markets which use the same supply-demand adjustment as North Texas: Central West Texas, Austin-Waco, San Antonio, and Corpus Christi.)

Wichita, Kansas: Page 68-3 - suspension of part of supply-demand provision reduces the maximum supply-demand adjustment from 3 cents to 2 cents for an indefinite period, effective September 1, 1959.

Oklahoma Metropolitan: Page 162 - suspension of part of supply-demand provision reduces the maximum supply-demand adjustment from 3 cents to 2 cents for an indefinite period, effective October 1, 1959. (Suspension has the same effect on Red River Valley which uses the same supply-demand adjustment)

Washington, D.C.: Page 2-2 - suspension order removes limitations on diversions by producers to unregulated plants for the period of September 30 through October 31, 1959.

Kansas City, Missouri-Kansas: Page 132 - suspension of part of supply-demand provision reduces the maximum supply-demand adjustment from 3 cents to 2 cents for an indefinite period effective November 1, 1959.

St. Louis, Missouri: Page 3-2 - requirement that a supply plant ship 75 percent or more of receipts from dairy farmers in the month of November 1959 suspended. Requirement for November is now 35 percent.

Great Basin: Page 63-2 - requirement that distributing plants have total route disposition equal to 50 percent or more of receipts from dairy farmers and other plants suspended for November and December 1959. In-area route disposition requirement unchanged.

Supplement to Federal Register Citations

(August 2 through November 1, 1959)

<u>Market and Citation</u>	<u>Date Published</u>	<u>Action</u>
<u>BLUEFIELD - C.F.R. 1012</u>		
24 FR 8655	10/31/59	Order, as amended
<u>BOSTON - C.F.R. 904</u>		
24 FR 7753	9/26/59	Order suspending certain provisions
24 FR 8784	10/29/59	Order suspending certain provisions
24 FR 9567	12/1/59	Order suspending certain provisions
<u>CENTRAL WEST TEXAS - C.F.R. 982</u>		
24 FR 7439	9/16/59	Order, as amended
<u>CONNECTICUT - C.F.R. 1019</u>		
24 FR 6753	8/20/59	Order terminating certain provisions
<u>DES MOINES - C.F.R. 1023</u>		
24 FR 6941	8/27/59	Order, as amended
<u>DETROIT - C.F.R. 924</u>		
24 FR 8653	10/31/59	Order, as amended
<u>GREAT BASIN - C.F.R. 963</u>		
24 FR 7856	9/30/59	Order
24 FR 9542	11/28/59	Order suspending certain provisions
<u>INLAND EMPIRE - C.F.R. 1008</u>		
24 FR 7355	9/12/59	Order, as amended
<u>KANSAS CITY - C.F.R. 913</u>		
24 FR 9303	11/18/59	Order suspending certain provisions
<u>NORTH TEXAS - C.F.R. 943</u>		
24 FR 7856	9/30/59	Order suspending certain provisions
24 FR 9568	12/1/59	Order suspending certain provisions

<u>Market and Citation</u>	<u>Date Published</u>	<u>Action</u>
<u>OKLAHOMA METROPOLITAN - C.F.R. 906</u>		
24 FR 7853	9/30/59	Order suspending certain provisions
<u>PUGET SOUND - C.F.R. 925</u>		
24 FR 6027	7/29/59	Order, as amended
<u>ST. LOUIS - C.F.R. 903</u>		
24 FR 9567	12/1/59	Order suspending certain provisions
<u>SAN ANTONIO - C.F.R. 949</u>		
24 FR 6155	7/31/59	Order suspending certain provisions
<u>SPRINGFIELD, MASS. - C.F.R. 996</u>		
24 FR 7753	9/26/59	Order suspending certain provisions
24 FR 8784	10/29/59	Order suspending certain provisions
24 FR 9567	12/1/59	Order suspending certain provisions
<u>WASHINGTON, D.C. - C.F.R. 902</u>		
24 FR 7853	9/30/59	Order suspending certain provisions
24 FR 8892	10/31/59	Order, as amended
<u>WICHITA - C.F.R. 968</u>		
24 FR 7059	9/1/59	Order suspending certain provisions
<u>WORCESTER - C.F.R. 999</u>		
24 FR 7753	9/26/59	Order suspending certain provisions
24 FR 8784	10/29/59	Order suspending certain provisions
24 FR 9567	12/1/59	Order suspending certain provisions

INDEX

(As summaries of new and amended orders are prepared, page numbers will be preceded by the order number. For example, Michigan Upper Peninsula is Order number 111; there are four pages in this summary. Thus, the page numbers are 111-1; 111-2; 111-3; 111-4. The following index reflects this system of page numbering and also shows all page numbers in the summaries which have not been revised. Using Chicago as an example, the page numbers are listed in the index as pages 45 through 48-c and 49 through 49-b; thus, the entire summary of this order occupies pages 45, 46, 47, 48, 48a, 48b, 48c, 49, 49a, and 49b. The pages of the introduction and Federal Register citations are numbered consecutively with the abbreviations "Int." or "Cit." preceding the number.)

	Pages
INTRODUCTION	INT. 1-5
FEDERAL REGISTER CITATIONS	CIT. 1-14
ORDER SUMMARIES	

Order Number	Market	
23	Appalachian	224-228a
52	Austin-Waco	52-1 through 52-5
17	Black Hills	95-98
112	Bluefield	112-1 through 112-5
4	Boston	4-1 through 4-6
31	Cedar Rapids-Iowa City	31-1 through 31-4
104	Central Arizona	104-1 through 104-5
8	Central Arkansas	288-294
87	Central Mississippi	229-233b
82	Central West Texas	82-1 through 82-5
100	Chattanooga	100-1 through 100-5
41	Chicago	45-48c, 49-49b
65	Cincinnati	65-1 through 65-5
109	Clarksburg	269-271a, 272-274
94	Colorado Springs-Pueblo	94-1 through 94-5
74	Columbus	74-1 through 74-5
119	Connecticut	119-1 through 119-6
98	Corpus Christi	255-259
71	Dayton-Springfield	71-1 through 71-4
123	Des Moines	123-1 through 123-5
24	Detroit	24-1 through 24-6
12	Dubuque	12-1 through 12-4
54	Duluth-Superior	73-75a
29	Eastern South Dakota	29-1 through 29-5
76	Fort Smith	207-210
32	Fort Wayne	31-33, 34, 34b
63	Great Basin	63-1 through 63-4
108	Inland Empire	108-1 through 108-5
13	Kansas City	129-133b

INDEX

<u>Order Number</u>	<u>Market</u>	<u>Pages</u>
88	Knoxville	134-137a
46	Louisville	59-62, 63-63c
18	Memphis	168-171b
111	Michigan Upper Peninsula	111-1 through 111-4
7	Milwaukee	172-172a, 173, 175b
73	Minneapolis-St. Paul	73-1 through 73-5
5	Mississippi Delta	5-1 through 5-5
114	Mississippi Gulf Coast	114-1 through 114-5
85	Muskegon	92-94b
78	Nashville	125-128c
28	Neosho Valley	28-1 through 28-5
42	New Orleans	50-54a
27	New York-New Jersey	27-1 through 27-6
105	North Central Iowa	14-17a
95	North Central Ohio	142-145a
43	North Texas	43-1 through 43-5
75	Northeastern Ohio	75-1 through 75-6
116	Northeastern Wisconsin	116-1 through 116-5
66	Northern Louisiana	245-249
6	Oklahoma Metropolitan	160-166
35	Omaha-Lincoln-C. Bluffs	41-43, 44-44b
21	Ozarks	21-1 through 21-5
77	Paducah	122-124d
61	Philadelphia	61-1 through 61-5
113	Platte Valley	219-223
25	Puget Sound	25-1 through 25-5
44	Quad Cities	44-1 through 44-5
86	Red River Valley	86-1 through 86-5
91	Rockford-Freeport	138-141a
3	St. Louis	3-1 through 3-5
49	San Antonio	203-204a, 205-206a
48	Sioux City	70-72a
56	Sioux Falls-Mitchell	211-214b
67	S. Bend-LaPorte-Elkhart	83-87a
118	Southeastern Florida	118-1 through 118-5
90	Southeastern New England	90-1 through 90-7
19	Southwest Kansas	150-152b
96	Springfield	96-1 through 96-6
11	Texas Panhandle	11-1 through 11-5
30	Toledo	30-1 through 30-4
72	Tri-State	72-1 through 72-5
16	Upstate Michigan	283-287a
2	Washington, D. C.	2-1 through 2-5
80	Western Colorado	80-1 through 80-4
102	Wheeling	276-278a, 279-281
68	Wichita	68-1 through 68-5
110	Wilmington	313-318
99	Worcester	99-1 through 99-5

FEDERAL MILK ORDER NO. 2
Washington, D. C.

Marketing Area:

1. All territory, including governmental installations and institutions and ships at dock in Washington, D. C. and Alexandria, Virginia, and in the following counties: Arlington, Fairfax, and Prince William, all in the State of Virginia; Prince Georges (excluding the town of Laurel), Montgomery, Charles, St. Marys, and specified areas in Calvert and Frederick counties in Maryland.

Population (1950 Census): 1,565,758

Principal places are: Washington, D. C.; Alexandria and Falls Church, Virginia; Rockville, Frederick and Upper Marlboro, Maryland.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which Class I milk is disposed of in the marketing area.
3. The operator of an unregulated supply plant which ships milk to a plant in "2," above.
4. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant.

Producer-Handler:

1. A dairy farmer who operates a plant from which Class I milk received only from his own production or from regulated plants is distributed in the marketing area.

Producer:

1. Any person, except a producer-handler or a dairy farmer whose milk is delivered through a cooperative association with no membership at other regulated plants to a regulated manufacturing plant of another association, who produces milk inspected and approved for fluid consumption by any health authority and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions, except a dairy farmer whose milk is diverted to a regulated plant in March-September from a farm which did not supply milk to a regulated plant during the previous October-February.

Regulated (Pool) Plant (except a producer-handler plant):

1. Distributing plant. A plant inspected and approved by any health authority and from which during the month:

a. Disposition of Class I milk on routes in the marketing area is 10 percent or more of receipts from dairy farmers; and

b. Total route disposition of Class I milk is 50 percent or more of receipts from dairy farmers.

2. Supply plant. a. A plant inspected and approved by any health authority for fluid consumption which ships 50 percent or more of its approved receipts from dairy farmers during the months October-February, or 40 percent during the months March-September to a regulated distributing plant which has Class I disposition on routes in the marketing area equal to 10 percent of receipts from dairy farmers and other plants and total Class I route disposition equal to 50 percent of receipts from dairy farmers and other plants. A plant which qualifies as a supply plant in each of the months October through February is a supply plant in the following March through September unless non-regulated status is requested.

*b. A plant which ships Class I milk to a regulated distributing plant and which receives milk from dairy farmers, all of whom are members of a cooperative association of which 70 percent or more of the members are qualified producers who ship to regulated plants during the month.

3. Cooperative association plant.

a. A manufacturing plant operated by a cooperative association 70 percent or more of whose members are qualified producers shipping to regulated plants during the month.

Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of a fluid milk product, except sour cream, Fluid milk products: milk, including concentrated; skim milk; sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b. Not accounted for as Class II milk.

2. Class II. All skim milk and butterfat:

a. Used to produce any product other than a fluid milk product, except sour cream.

b. Contained in inventories of fluid milk products except sour cream at the end of the month.

c. Disposed of for livestock feed.

FEDERAL MILK ORDER NO. 24
Detroit, Michigan

Marketing Area:

1. All territory in specified townships in the following Michigan Counties: St. Clair, Macomb, Oakland, Washtenaw, Monroe; and, all of Wayne county.

Population: (1950 Census): 3,162,948

Principal places are: Detroit, Ypsilanti, Ann Arbor, Ferndale, Royal Oak, Pontiac, and ~~Fort~~ Huron, Michigan.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which Class I milk is disposed of in the marketing area.
3. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant.

Producer-Handler:

1. A dairy farmer who operates a plant from which Class I milk received only from his own production or from regulated or unregulated plants is distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by an area health authority and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. A plant inspected and approved by an area health authority and from which during the month:

a. Class I milk is disposed of on routes in the marketing area.

b. Total route disposition of Class I milk is 55 percent or more of receipts from dairy farmers and other plants during any of the months of October through March, and 45 percent during any of the months April through September (no percentage requirement need be met April-September period if plant qualified in each month of the October-March period).

2. Supply plant. A plant inspected and approved by an area health authority for fluid consumption which ships to a regulated distributing plant:

a. April through July - 25 percent or more of its receipts from dairy farmers, less Class I disposed of on routes or by transfers to unregulated plants.

b. August through March - the higher of "a" above, or an announced "call" percentage which is determined by the market administrator by dividing the difference between his estimate of the Class I needs of distributing plants plus 15 percent and estimated producer receipts at such plants by an estimate of the amount of milk available at supply plants, not including Class I disposed of to unregulated plants.

A plant which qualifies as a supply plant in the months October through January is a supply plant in any of the following months of February through September in which it ships the percentage provided in any call.

Method of Accounting for Milk:

- = 1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of a fluid milk product, except sweet or sour cream and flavored milk drinks. (Chocolate drinks in Michigan must have ~~same~~ minimum butterfat or chocolate milk.) Fluid milk products: milk, including concentrated; skim milk; sweet and sour cream; butter-milk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b. Not accounted for as Class II milk.

2. Class II. (except butter, non-fat dry milk and American cheese during November 1959 -January 1960) All skim milk and butterfat:

a. Disposed of as sweet or sour cream.

b. Used to produce any product other than a fluid milk product except butter, nonfat dry milk and American cheese, November 1959 -January 1960.

c. Skim milk dumped, or disposed of for livestock feed upon notification of and verification by the market administrator.

d. In shrinkage of other source milk.

e. In shrinkage of producer milk not to exceed 2 percent.

3. Class II. (butter, non-fat dry milk, and American cheese) During November 1959 through January 1960, Class II in excess of other source receipts used to produce butter, non-fat powder, and American cheese.

Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another:
 - a. In the form of milk or skim milk are Class I unless utilization in another class is claimed by both plants in which case producer milk at both plants receives priority in Class I over other-source milk.

Transfers to Unregulated Plants:

1. The following are Class I:
 - a. Transfers of milk or skim milk to producer-handlers.
 - b. Transfers of fluid milk products, other than milk, skim milk or cream.
 - c. Transfers of milk or skim milk to unregulated plants are assigned first to the highest class in July through March and to the lowest class April through June.

Receipts from Unregulated Plants:

1. Classification. Beginning with the lowest price class, after deducting shrinkage in producer milk from Class II (except butter, non-fat powder, and American cheese) subtract receipts from unregulated plants in the following order (remainder is Class I):
 - a. Receipts from plants not regulated under any order.
 - b. Receipts from plants regulated under another order.
2. Compensatory payments. Apply to "a" receipts in Class I, above.
 Payment rate: Class I price adjusted by butterfat and location differentials less: Class II price, adjusted by Class II butterfat differential.

Class Prices:

1. Basic formula. Highest of the following:
 - a. Midwest condenseries. Average price paid at Midwest condenseries (3.5 percent)
 - b. Butter-powder price. (Chicago 92-score butter price - 3 cents x 4.2) + (Chicago area spray roller price - 5.5 cents x 8.2)
 - c. Local plants.
 - (1) Average price paid at the following local plants for 3.5 percent milk:

Borden Company, Mt. Pleasant, Michigan
 Carnation Company, Sheridan, Michigan
 Carnation Company, Sparta, Michigan

Fairmont Foods Company, Bad Axe, Michigan
 Kraft Foods, Clare, Michigan
 Kraft Foods, Pinconning, Michigan
 Nestle Company, Ubly, Michigan

2. Class I. Basic formula price for the month plus:

\$1.23: February - July
 1.63: August - January

With a supply-demand adjustment applied to the resulting price. Such adjustment is determined by the relationship between the ratio of producer receipts and gross Class I in first and second preceding months and standard utilization percentages provided in the order. Adjustment is 3 cents for each 1 percent that utilization in the market differs from the standard, with a maximum total adjustment of 45 cents.

3. Class II. (except butter, non-fat dry milk, and American cheese, November 1959 through January 1960) Higher of the following:

February-September:

- a. Local plant price for 3.5 percent milk.
- b. Butter-powder price less 18.3 cents.

October-January:

Class II price (February-September) + 20 cents.

4. Class II. (butter, non-fat dry milk, and American cheese, November 1959 through January 1960)

Class II prices (February-September) + 10 cents.

Butterfat Differentials: (3.5 percent butterfat test)

- 1. Class I, Class II, and Producer. Chicago 92-score butter price for the current month x .113 (Class I and producer rounded to the nearest 1/10 cent; producer rounded to nearest 1/2 cent.

Location Differentials:

- 1. Class I. Apply to distributing plants located 35 miles or more outside the marketing area, and to supply plants. (in case of milk moved from a supply plant to a distributing plant, regardless of location, the location differentials apply at the distributing plant). Measured from Detroit, deduct:

- a. 14 cents - 35 to 50 miles
- b. 15 cents - 51 to 70 miles
- c. 1 cents - each additional 20 miles.

2. Producer. Above differentials apply to producer milk received at plants located outside the marketing area and 35 miles or more from Detroit except that at plants which have route disposition in the marketing area. The differential applies only to plants which are also 35 miles from the marketing area.

Type of Pool:

1. Marketwide, monthly pool with base payments.

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 2 cents per hundredweight of producer milk and other source milk allocated to Class I.
2. Operators of unregulated distributing plants from which over 600 pounds per day of Class I milk is disposed of on routes in the marketing area pay the same rate as regulated plants on Class I route disposition in the marketing area or on all milk received from dairy farmers, if they make payments to dairy farmers at order prices - see Special Handler Provisions.

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from non-members must be paid to the market administrator.
2. Base payment. Base payment plan applies whenever total producer receipts by all handlers exceed 112.5 percent of total Class I utilization of all handlers, with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of August-December by the number of days of delivery during the period (not less than 122 days).
 - a. Transfers to family members are permitted under specified circumstances.
 - b. Joint-held bases may be divided among the joint holders upon request.
 - c. Base is forfeited if deliveries are discontinued for 45 days.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order, are not subject to regulation under this order, except for reports which may be required by the market administrator.

2. Unregulated plants not subject to other Federal orders. Operators of such plants are required to:

- a. Submit required reports to the market administrator.
- b. Pay specified administrative assessment - see "Expense of Administration" provision.
- c. Make compensatory payments:
 - (1) On Class I route disposition in the marketing area; rate is Class I price less Class II price adjusted by butterfat and location differentials; or, if less.
 - (2) On all milk received from dairy farmers; amount paid is the difference between class values at order prices and payments to dairy farmers.

FEDERAL MILK ORDER NO. 25
Puget Sound, Washington

Marketing Area:

1. All territory, including governmental installations and institutions, in the following Washington Counties:

District No. 1 - All of Thurston and parts of King, Pierce, Snohomish, and Grays Harbor.

District No. 2 - Part of Whatcom.

District No. 3 - Part of Lewis and Pacific

District No. 4 - Part of Skagit.

Population (1950 Census): 1,332,481

Principal places are: Seattle, Everett, and Tacoma, Washington.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which more than 3,400 pounds of skim milk and butterfat in the form of fluid milk products is disposed of in the marketing area.
3. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant.

Producer-Handler:

1. A dairy farmer who operates a plant from which fluid milk products received only from his own production, or such products received from regulated plants during 45 consecutive days in a 12 month period are distributed in the marketing area. Producer-handler may also purchase up to a daily average of 100 pounds of packaged fluid or frozen skim milk, skim drinks (plain and flavored), flavored milk, cream, and buttermilk from other regulated plants.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by an area health authority and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. A plant inspected and approved by an area health authority; and

- a. Located in the marketing area, from which during the month fluid milk products are disposed of on routes in the marketing area; and
 - b. Located outside the marketing area from which disposition of fluid milk products in the marketing area is 50 percent of receipts from dairy farmers in the current month, October-December, or 20 percent, January-September. If 50 percent during the entire period, October-December, the plant is regulated, January-December, regardless of disposition, unless non-regulated status is requested.
2. Supply plant. Any plant inspected and approved by an area health authority for sale of milk for fluid consumption:
- a. Which is located in the marketing area and is not a distributing plant.
 - b. Sequiem Creamery Association plant.
 - c. Which is located outside the marketing area, (except Sequiem Creamery Association plant) which ships to a regulated distributing plant located inside the marketing area 50 percent or more of its receipts from dairy farmers in any month, October-December; 20 percent, January-September. A plant which ships 50 percent of such receipts in the entire period, October through December is a supply plant in the following January through September unless non-regulated status is requested.

Method of Accounting for Milk:

- 1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

Classification:

- 1. Class I. All skim milk and butterfat:
 - a. Disposed of in the form of a fluid milk product. Fluid milk products: milk, including concentrated; skim milk; sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.
 - b. In shrinkage of producer milk in excess of 2 percent.
 - c. Contained in inventories of fluid milk products at the end of the month, with beginning inventory assigned to Class I.
 - d. Not accounted for as Class II milk.
- 2. Class II. All skim milk and butterfat:
 - a. Used to produce any product other than a fluid milk product.
 - b. Disposed of to commercial food manufacturers.
 - c. Disposed of for livestock feed.

d. In shrinkage of other source milk.

e. In shrinkage of producer milk, not to exceed 2 percent.

3. Class II. (cottage cheese and ice cream). All skim milk and butterfat used to produce ice cream, including frozen deserts and ice cream mix; condensed skim and whole milk; cottage cheese; yogurt; eggnog; and aerated cream.

Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another:

a. In the form of fluid milk products are Class I to the extent of Class I use at the transferee plant. If the transfers exceed such use, producer milk at both plants received priority in Class I over other-source milk.

Transfers to Unregulated Plants:

1. The following are Class I:

a. Transfers to producer-handlers.

b. Transfers of fluid milk products in consumer packages.

c. Bulk transfers to a plant regulated under another order to the extent the transfer exceeds Class II assignment at such plant.

d. Transfers to unregulated plants located within the marketing area and specified counties are Class I to the extent of Class I at such plant includes re-transfers to a second unregulated plant which distributes fluid milk products. The transfers are Class I to the extent of such disposition by the second plant.

e. Transfers to unregulated plants outside the marketing area.

Receipts from Unregulated Plants:

1. Classification. Beginning with Class II and then Class II (cottage cheese and ice cream), after deduction for shrinkage in producer milk, subtract all receipts from unregulated plants and remainder is Class I.

2. Compensatory payments. Apply to receipts in Class I, above. Payment rate: Class I price less Class II price, both adjusted by butterfat and location differentials.

Class Prices:

1. Basic formula. Highest of the following:

a. Midwest condenseries. Average price paid at Midwest condenseries (3.5 percent) adjusted to 4.0 percent by direct ratio.

b. Butter-powder prices. (Chicago 93(92)-score butter price x 4.8) + (Chicago area spray roller powder price x 8.2) - 67 cents.

c. Butter-cheese prices. (Chicago 92-score butter price x 6)
 +(Wisconsin Cheddar cheese price x 2.4) \div 7 x 5.2.

2. Class I. Basic formula price for the month plus \$1.65.
 April-June price may not be higher than in the preceding March; October-January price may not be lower than in the preceding September.
3. Class II. (Chicago 93(92)-score butter price + 3 cents x 4.8) + (Chicago area spray-roller powder price x 8.2) - 80 cents.
4. Class II. (Cottage cheese and ice cream) Class II price + 25 cents.

Butterfat Differentials. (4.0 percent butterfat test):

1. Class I. Chicago 93(92)-score butter price for the preceding month + 3 cents x 0.12.
2. Class II. Chicago 93(92)-score butter price for the current month + 3 cents x 0.115.
3. Producer. Weighted average of Class I and Class II differentials for base milk; Class II differential for excess milk.

Location Differentials: Apply to plants located outside District 1, and Kitsap, Mason, or Pierce Counties; deduct:

1. Class I and producer base milk.
 - a. 15 cents - plants in District 4.
 - b. 20 cents - plants in District 3.
 - c. 25 cents - plants in District 2 or Kittitas County.
 - d. 40 cents - other locations outside the marketing area.
2. Producer excess milk. Deduct 25 cents.

Type of Pool:

1. Marketwide, monthly pool with base payments.

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 4 cents per hundredweight of producer milk and other source milk allocated to Class I.
2. Operators of unregulated plants with disposition in excess of 3,400 pounds in the area in the month pay the same rate as regulated plants on all Class I disposition.

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from non-members must be paid to the market administrator.

2. Base payment. Base payment plan applies entire year with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of August - December by the number of days of delivery during the period (not less than 120 days).

- a. Provides for bases for dairy farmers who become producers by virtue of plant status changing from unregulated to regulated.
- b. Transfers to any other person are permitted under specified circumstances.
- c. Base is forfeited if deliveries are discontinued for 45 days.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. No exemption. Handlers subject to other Federal orders are regulated or make compensatory payments on Class I disposition in the marketing area. Rate is the same as that paid by plants not regulated under any order.

2. Unregulated plants not subject to other Federal orders: Operators of such plants are required to:

- a. Submit required reports to the market administrator.
- b. Pay specified administrative assessment - see "Expense of Administration" provision.
- c. Make compensatory payments:
 - (1) On Class I route disposition in the marketing area; rate is that applicable to receipts from unregulated by regulated plants.

FEDERAL MILK ORDER NO. 63
Great Basin

Marketing Area:

1. All territory, including governmental installations and institutions, in the Utah Counties of Box Elder, Davis, Morgan, Salt Lake, Tooele, Utah, Wasatch, Weber, Summit, Grand, Daggett, Duchesne, Carbon, Sanpete, Juab, Millard, Sevier, Uintah, and Emery.

Population: (1950 Census) 613,438

Principal places are: Salt Lake, Ogden, Provo, Brigham, Bountiful, Richfield, Vernal, and Price, Utah.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which fluid milk products are disposed of in the marketing area.
3. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant, and such association with respect to member milk delivered to a regulated plant in tank trucks owned or operated by the association.

Producer-Handler:

1. A dairy farmer who operates a plant from which fluid milk products received only from his own production or from regulated plants are distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by any health authority or, regardless of inspection is accepted by an agency of the Federal Government and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. A plant inspected and approved by any health authority and from which during the month:
 - a. Disposition of fluid milk products on routes in the marketing area averages 500 pounds per day and is 10 percent or more of total route disposition of fluid milk products; and,

b. Total route disposition of fluid milk products is 50 percent or more of receipts from dairy farmers and other plants.

2. Supply plant. A plant inspected and approved by any health authority for fluid consumption which ships 50 percent or more of its approved receipts from dairy farmers and other plants to a regulated distributing plant. A plant which qualifies as a supply plant in each of the months August through January is a supply plant in the following February through July unless non-regulated status is requested.

Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products

Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of a fluid milk product. Fluid milk products: milk, including concentrated; skim milk; sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b Not accounted for as Class II milk.

2. Class II. All skim milk and butterfat:

a. Used to produce any product other than a fluid milk product.

b. Contained in inventories of fluid milk products at the end of the month.

c. Skim milk dumped, or disposed of for livestock feed upon notification of and verification by the market administrator.

d. In shrinkage of other source milk.

e. In shrinkage of producer milk not to exceed 2 percent.

Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another:

a. In the form of bulk fluid milk products are Class I unless utilization in another class is claimed by both plants in which case producer milk at both plants receives priority in Class I over other-source milk.

Transfers to Unregulated Plants:

1. The following are Class I:

a. Transfers of fluid milk products to producer-handlers.

b. Transfers of fluid milk products in consumer packages.

c. Bulk transfers of milk, skim milk, or cream to unregulated plants located within the marketing area or less than 225 miles from Salt Lake City, unless Class II is claimed by the transferring handler and Class II utilization at the unregulated plant is equal to the receipts of milk from all Federal order plants. If Class II utilization exceeds such receipts Class II is prorated among all Federal order plants.

d. Bulk transfers of milk, skim milk or cream to plants 225 miles or more from Salt Lake City or to plants outside the marketing area.

Receipts from Unregulated Plants:

1. Classification. Beginning with Class II, after deduction for shrinkage in producer milk, subtract receipts from unregulated plants in the following order (remainder is Class I):

a. Non-fluid milk products.

b. Fluid milk products not priced under another order.

c. Fluid milk products classified and priced as Class I under another order.

2. Compensatory payments. Apply to "a" and "b" receipts in Class I, above, whenever total deliveries of producer milk are 110 percent or more of net Class I at all regulated plants. Payment rate for Class I receipts in "b": Class I price adjusted by butterfat and location differentials, less: Class II price, adjusted by Class II butterfat differential: For Class I receipts in "a", payment rate is Class I price, less Class II price both adjusted by respective butterfat differentials.

Class Prices:

1. Basic formula. (Higher of the following:)

a. Midwest condenseries. Average paid at Midwest condenseries (3.5 percent).

b. Butter-powder price. (Chicago 92-score butter price - 3 cents x 4.2) + (Chicago area spray-roller price - 5.5 cents x 8.2).

2. Class I. Class I price for first 18 months shall be \$5.25.

3. Class II. (Chicago 92-score butter price x 4.03) + (Chicago area spray price x 8.2) - 55 cents.

Butterfat Differentials: (3.5 percent butterfat test)

1. Class I. Chicago 92-score butter price for the preceding month x .135.

2. Class II. Chicago 92-score butter price for the current month x .115.

3. Producer. Weighted average of Class I and Class II differentials.

Location Differentials:

1. Class I and producer. Apply to plants located 100 miles or more from Ogden, Price, Richfield, or Vernal, Utah, whichever is closest; deduct:
 - a. 15.0 cents - 100 to 110 miles
 - b. 1.5 cents - each additional 10 miles.

Type of Pool:

1. Marketwide, monthly pool.

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 4 cents per hundredweight of producer milk and other source milk allocated to Class I
2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area in excess of 500 pounds per day.

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 6 cents per hundredweight, deductible from non-members must be paid to the market administrator.
2. Base payment. No provision.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order, and supply plants which qualify as regulated plants February-July on basis of shipments August-January, are not subject to regulation under this order, except for reports which may be required by the market administrator.
2. Unregulated plants not subject to other Federal orders. Operators of such plants are required to:
 - a. Submit required reports to the market administrator.
 - b. Pay specified administrative assessment - see "Expense of Administration" provision.
 - c. Make compensatory payments:
 - (1) On Class I route disposition in the marketing area in excess of 500 pounds per day; rate is that applicable to receipts from unregulated by regulated plants.

FEDERAL MILK ORDER NO. 82
Central West Texas

Marketing Area:

1. All territory in the following Texas towns and cities, including the Abilene Air Force Base: Abilene, Merkel, Tye, Albany, Anson, Hamlin, Stamford, Aspermont, Ballinger, Winters, Big Spring, Breckenridge, Brownwood, Cisco, Eastland, Ranger, Coleman, Colorado City, Comanche, Rotan, Haskell, Rochester, Rule, Knox City, Munday, Midland, Mineral Wells, Odessa, San Angelo, Snyder, and Sweetwater.

Population: (1950 Census): 305,728

Principal places are: Abilene, Big Spring, Brownwood, Midland, Odessa, and San Angelo, Texas.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which Class I milk is disposed of in the marketing area.
3. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant, and such an association with respect to producer milk delivered in tank trucks for its account to other regulated plants.

Producer-Handler:

1. A dairy farmer who operates a plant from which Class I milk received only from his own production or from regulated plants is distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by an area health authority and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Approved) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. a. A plant inspected and approved by an area health authority and from which during the month Grade A milk is disposed of as Class I on routes in the marketing area.

b. A plant inspected and approved by any health authority from which disposition of Class I Grade A milk on routes in the marketing area is equal to 15 percent or more of total Class I disposition.

2. Supply plant. A plant inspected and approved by an area health authority for fluid consumption which ships milk to a regulated distributing plant described in "a" above, or a plant which makes no shipments April-June, if shipments during the preceding October-January equaled 60 percent of total producer receipts.

Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, (but not fortified) products.

Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of a fluid milk product. Fluid milk products: milk, skim milk; sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b. Not accounted for as Class II or Class II-A milk.

2. Class II. All skim milk and butterfat:

a. Used to produce any product other than a fluid milk product except Cheddar Cheese.

b. Contained in inventories of fluid milk products, at the end of the month.

c. Disposed of for livestock feed.

d. In shrinkage of other source milk.

e. In shrinkage of producer milk not to exceed 2 percent (5 percent, April-June).

3. Class II-A. All skim milk and butterfat:

a. Used to produce Cheddar cheese.

Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another:

a. In the form of milk, skim milk, or cream are Class I unless utilization in another class is claimed by both plants in which case producer milk at both plants receives priority in Class I over other-source milk.

Transfers to Unregulated Plants:

1. The following are Class I:

- a. Transfers of milk, skim milk, or cream to producer-handlers.
- b. Transfers of fluid milk products in consumer packages.
- c. Bulk transfers of milk, skim milk, or cream to unregulated plants which have Class I disposition in and which are located not over 300 miles from the marketing area, unless another class is claimed by the transferring handler and Class I utilization at the unregulated plants does not exceed receipts from dairy farmers. If Class I utilization does exceed such receipts the transfers are Class I to the extent of the excess. (Transfers to plants so located which have no Class I disposition in the marketing area are Class II, unless engaged in the manufacture of Cheddar cheese, in which case transfers are Class II-A to the extent that cheese manufacture exceeds receipt from dairy farmers and unregulated plants).
- d. Transfers of milk, skim milk, or cream, (except non-Grade A cream) to plants more than 300 miles from the transferring plant.

Receipts from Unregulated Plants:

- 1. Classification: After deducting shrinkage assigned to producer milk from Class II, beginning with Class II-A, then Class II, subtract receipts from unregulated plants in the following order (remainder is Class I):
 - a. Non-fluid milk products.
 - b. Fluid milk products.
- 2. Compensatory payments. Apply to "a" receipts in Class I, above, Payment rate: Class I price adjusted by butterfat and location differentials, less: Class II price, adjusted by butterfat differential.

Class Prices:

- 1. Basic formula. No provision.
- 2. Class I. Class I price under Federal Order No. 43 (North Texas marketing area) plus 25 cents.
- 3. Class II. Average price paid farmers by the following local plants for 4.0 percent milk: April, May, and June:

Carnation Company, Sulphur Springs, Texas
 Borden Company, Mount Pleasant, Texas
 Lamar Creamery, Paris, Texas

July-March: Higher of the following:

- a. Local plant price, above.

b. Butter-powder price:

(Chicago 92-score butter price - 3 cents x 4.8) + (Chicago area spray-roller price - 5.5 cents x 8.5 x 0.96)

4. Class II-A. Wisconsin Primary Market Cheddar cheese price x 8.4.Butterfat Differentials: (4.0 percent butterfat):

1. Class I. Chicago 92-score butter price for the preceding month x .125.
2. Class II and Class II-A. Chicago 92-score butter price for the current month x .110 for March-June and by .115 for July-February.
3. Producer. Chicago 92-score butter price x .12.

Location Differentials:

1. Class I. Apply to plants located within 70 miles of Midland, Texas, add 15 cents, and for plants located east of the 103rd meridian, more than 180 miles from Midland, Texas, and more than 70 miles from Abilene, Texas, deduct:

- a. 20 cents - 70 to 104 miles from Abilene.
- b. 25 cents - 105 miles or more from Abilene.

2. Producer. Above differentials apply:

- a. July - February to all producer milk.
- b. March - June to base milk. 1/

1/ Base provision suspended for indefinite period effective March 1, 1959.

Type of Pool:

1. Marketwide, monthly pool with base payments. (Base payments suspended for indefinite period effective March 1, 1959).

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 4 cents per hundredweight of producer milk and other source milk, allocated to Class I.
2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area.

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from non-members must be paid to the market administrator.

2. Base Payment. Base payment plan applies March-June with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of September-December by the number of days of delivery during the period (not less than 112 days).

a. Transfers to any other person are permitted under specified circumstances.

b. Joint-held bases may be divided among the joint holders upon request. (Base and excess provisions suspended for indefinite period effective March 1, 1959.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. Handlers who dispose of a greater portion of their Class I milk on routes in the marketing area of another order, are not subject to regulation under this order, except for reports which may be required by the market administrator .

2. Unregulated plants not subject to other Federal orders. Operators of such plants are required to:

a. Submit required reports to the market administrator.

b. Pay specified administrative assessment - see "Expense of Administration" provision.

c. Make compensatory payments:

(1) On Class I route disposition in the marketing area. Amount paid is the difference between class values at order prices and lowest prices paid dairy farmers for an equivalent quantity of milk.

FEDERAL MILK ORDER NO. 108
Inland Empire, Washington-Idaho

Marketing Area:

1. All territory, including governmental installations and institutions, in the Idaho Counties of Benewah and Boundary, and specified areas in Bonner and Kootenai Counties, Idaho; also, Spokane County and parts of Pend Oreille and Stevens Counties in Washington.

Population (1950 Census): 291,951.

Principal places are: Spokane, Washington; Coeur D'Alene and Sand Point, Idaho.

*Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which Class I milk is disposed of in the marketing area.
3. A cooperative association with respect to producer milk diverted for its account from a regulated to an unregulated plant, February-August, and milk diverted from one regulated plant to another, not to exceed 90 days for any producer.

Producer-Handler:

1. A dairy farmer who operates a plant from which Class I milk from his own production or from regulated plants is distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by an area health authority and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant: A plant inspected and approved by an area health authority and from which during the month:
 - a. Disposition of Class I milk in the marketing area on routes is 20 percent or more of receipts from producers: and
 - b. Total route disposition of Class I milk is 40 percent or more of receipts from producers, February-August; and 50 percent or more of such receipts, September-January.

2. Supply plant: A plant inspected and approved by an area health authority for fluid consumption which ships 50 percent or more of its approved receipts from dairy farmers in the current month during October-December, and 20 percent January-September, to a regulated distributing plant. A plant with shipments exceeding 50 percent of such receipts during each of the months of October through December qualifies January-September regardless of shipments during such latter period. A plant which qualifies as a supply plant may withdraw from regulation any month, January-September if unregulated status is requested.

Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately in each class. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of a fluid milk product except such products sterilized and packaged in sealed metal containers. Fluid milk products: milk, including concentrated; skim milk, sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b. Not accounted for as Class II or IIa milk.

2. Class II. All skim milk and butterfat:

a. Fluid milk products sterilized and packaged in sealed metal containers.

b. Disposed of to commercial food manufacturers.

c. Skim milk dumped or disposed of for livestock feed upon notification of and verification by the market administrator.

d. Not accounted for in Class I or Class IIa.

e. In shrinkage of other-source milk.

f. In shrinkage of producer milk, not to exceed 2 percent.

g. Inventories of fluid milk products at the end of the month.

3. Class IIa. All skim milk and butterfat:

a. Used to produce ice cream, including frozen desserts and ice cream mix, cocoa mixes, and cottage, pot, and bakers' cheese.

*Transfers Between Regulated Plants:

1. Bulk Transfers from one regulated plant to another:

a. In the form of Class I products are Class I unless utilization in another class is claimed by both plants, in which case producer milk at both plants receives priority in Class I over other-source milk.

*Transfers to Unregulated Plants:

1. The following are Class I:

a. Transfers to producer-handlers to extent that Class I at producer handler plant exceeds own production.

b. Transfers in consumer packages to a plant regulated under another order.

c. Bulk and packaged transfers to unregulated plants (except as in "d") having fluid disposition to the extent that Class I disposition exceeds receipts from dairy farmers and receipts classified under another order as Class I. Next after assignment to Class I, transfers are Class IIa to the extent of such use.

d. Bulk transfers to a plant regulated under another order to the extent that such transfers are allocated to Class I under terms of the other order.

Receipts from Unregulated Plants:

1. Classification. Beginning with Class II, after deduction for shrinkage in producer milk, subtract receipts from unregulated plants in the following order (remainder is Class IIa and I):

a. Receipts from plants not regulated under another order.

b. Receipts from plants regulated under another order.

2. Compensatory payments. Apply to receipts in (a) above, which are allocated to Class I. Payment rate: Class I price adjusted by butterfat and location differentials, less Class II price, adjusted by Class II butterfat differential.

Class Prices:1. Basic formula. The higher of the following:

a. Midwest condenseries. Average price paid at Midwest condenseries (3.5 percent) adjusted to 4.0 percent by direct ratio.

b. Butter-powder. (Chicago 93(92)-score butter price x 4.8) + (Chicago area spray-roller powder price x 8.2) - 67 cents.

*2. Class I. Basic formula price for the month plus \$1.90 with a supply-demand adjustment applied to the resulting price. Such adjustment is determined by the relationship between the ratio of Class I and producer receipts in second and third preceding months and standard utilization percentages provided in the order. Adjustment is 3.0 cents for each one percent that utilization in the market differs from the standard, with a maximum total adjustment of 50 cents.

3. Class IIa. Class II price, plus 25 cents.

4. Class II. (Chicago 93(92)-score butter price + 3 cents x 4.8) + (Chicago area spray-roller powder price x 8.2) - 80 cents.

Butterfat Differentials: (4.0 percent butterfat test)

1. Class I. Chicago 93(92)-score butter price + 3 cents for the preceding month x 0.123.

2. Class II and IIa. Chicago 93(92)-score butter price + 3 cents for the current month x 0.115.

3. Producer. Weighted average of Class I and Class II differentials for base milk. Class II differential for excess milk.

*Location Differentials:

1. Class I: Apply to plants located 50 miles or more from Spokane, Washington; deduct:

a. 2.0 cents for each 10 miles to 200 miles.

b. 1.0 cents for each additional 10 miles.

2. Producer. Above differentials apply to base milk.

Type of Pool:

1. Marketwide, monthly pool with base payments.

*Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 5 cents per hundredweight of producer milk and other-source milk allocated to Class I.

2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area.

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from non-members must be paid to the market administrator.

*2. Base payment. Base payment plan applies entire year with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of September-January by the number of days of delivery during the period (not less than 120 days). The base of producers who do not earn a base during the base making period and those forfeited are determined by multiplying deliveries during the month by the following percentages:

October and November:	80	{ The following percentages only) in the months indicated: December 1959: 80 January 1960: 80 February 1960: 75
January, September, and December:	75	
February and August:	70	
March and July:	65	
April through June:	60	

a. Provides for bases for dairy farmers who become producers by virtue of plant status changing from unregulated to regulated.

b. Transfers to any other person are permitted under specified circumstances.

c. Base is forfeited if deliveries are discontinued for 45 consecutive days.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. Handlers who dispose of a greater portion of their fluid milk products on routes in the marketing area of another order are not subject to regulation under this order, except for reports which may be required by the market administrator.

2. Unregulated plants not subject to other Federal Orders. Operators of such plants are required to:

a. Submit required reports to the market administrator.

b. Pay specified administrative assessment - see "Expense of Administration" provisions.

c. Make compensatory payments:

(1) On Class I route disposition in the marketing area; rate is that applicable to receipts from unregulated by regulated plants.

Receipts from Unregulated Plants:

1. Classification. Beginning with Class II, after deduction for shrinkage in producer milk, subtract receipts from unregulated plants in the following order (remainder is Class I):

- a. Receipts not priced under another order.
- b. Receipts priced under another order except packaged Class I products received from plants regulated under the Appalachian order which are assigned priority in Class I over producer milk.

2. Compensatory payments. No provision.

Class Prices:

1. Basic formula. The higher of the following:

a. Midwest condenseries. Average price paid at Midwest condenseries (3.5 percent) adjusted to 4.0 percent by adding Chicago 92-score butter price x 0.6.)

b. $(\text{Chicago 92-score butter price} \times 4.8) + (3 \frac{3}{4} \text{ cents for each } 1/2 \text{ cent Chicago area spray-roller powder price is above 5 cents.})$

*2. Class I. Basic formula price for the preceding month plus:

\$1.45: April-June
1.70: March and July
2.10: August-February

3. Class II. March-August average price paid farmers by the following local plants for 4.0 percent milk:

Pet Milk Company, Greeneville, Tennessee
Pet Milk Company, Abingdon, Virginia
Carnation Company, Galax, Virginia
Carnation Company, Murfreesboro, Tennessee
Carnation Company, Statesville, North Carolina
Borden Company, Lewisburg, Tennessee
Borden Company, Chester, South Carolina
Kraft Foods Company, Independence, Virginia
Kraft Foods Company, Greeneville, Tennessee

September-February: The higher of the following:

- a. Local plant price
- b. $(\text{Chicago 92-score butter price} \times 4.8) + (\text{Chicago area spray powder price} \times 8.2) - 75 \text{ cents}$

Butterfat Differentials: (4.0 percent butterfat test)

1. Class I. Chicago 92-score butter price for the preceding month x 0.12.
2. Class II. Chicago 92-score butter price for the current month x 0.11.
3. Producer. Weighted average of Class I and Class II differentials.

Location Differentials:

1. Class I and producer. Apply to plants located 50 miles or more from Princeton, Bluefield, or Welch, West Virginia, whichever is closest; deduct:
 - a. 10 cents - 50 to 60 miles
 - b. 1.5 cents - each additional 10 miles.

Type of Pool:

1. Individual handler, monthly pool with base payments.

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 5 cents per hundredweight of producer milk and other-source milk allocated to Class I. Handlers may report on basis of more than one accounting period per month. Assessment rate is multiplied by the number of accounting periods per month.
2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area.

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 6 cents per hundredweight, deductible from non-members must be paid to the market administrator.
2. Base payment. Base payment plan applies April-July with each producer's daily base computed by dividing the total pounds of milk delivered by the producer to regulated plants during the preceding months of September-February by the number of days of delivery during the period (not less than 120 days).

Deliveries to an Appalachian order regulated plant during September-February may be included in base forming computation for up to 55 days.

- a. Transfers to family members are permitted under specified circumstances.
- b. Joint-held bases may be divided among the joint holders upon request.

FEDERAL MILK ORDER NO. 123
Des Moines, Iowa

Marketing Area:

1. All territory, including governmental installations and institutions, in the city of Grinnell; the counties of Adair, Appanoose, Boone, Clarke, Dallas, Decatur, Greene, Guthrie, Jasper, Lucas, Madison, Mahaska, Marion, Monroe, Polk, Story, Union, Warren, Wapello, and Wayne, all in the State of Iowa.

Population (1950 Census): 626,082

Principal places are: Des Moines, Ottumwa, Ames, Boone, Newton, Oskaloosa, Creston, and Grinnell, Iowa.

Handler:

1. The operator of a regulated plant.
2. The operator of an unregulated distributing plant from which fluid milk products are disposed of in the marketing area.
3. A cooperative association with respect to producer milk diverted under specified conditions for its account from a regulated to an unregulated plant.

Producer-Handler:

1. A dairy farmer who operates a plant from which fluid milk products received only from his own production or from regulated plants are distributed in the marketing area.

Producer:

1. Any person, except a producer-handler, who produces milk inspected and approved for fluid consumption by any health authority and received at a regulated plant or normally received at a regulated plant and diverted under specified conditions.

Regulated (Pool) Plant (except a producer-handler plant or a plant regulated under another order):

1. Distributing plant. A plant inspected and approved by any health authority and from which during the month:
 - a. Disposition of Class I milk on routes in the marketing area is 15 percent or more of receipts from dairy farmers and other plants; and
 - b. Total route disposition of Class I milk is 35 percent or more of receipts from dairy farmers and other plants.

2. Supply plant. A plant inspected and approved by any health authority for fluid consumption which ships 35 percent or more of its approved receipts from dairy farmers to a regulated distributing plant or a regulated cooperative association plant. A plant which ships not less than 50 percent of such receipts in the period, September through November, is a supply plant in the following March through June unless non-regulated status is requested.

3. Cooperative association plant.

a. A plant operated by a cooperative association whose members are a majority of total producers shipping to regulated plants of other handlers.

Method of Accounting for Milk:

1. Skim milk and butterfat are accounted for separately. Skim milk includes the fluid equivalent of reconstituted, concentrated, and fortified products.

Classification:

1. Class I. All skim milk and butterfat:

a. Disposed of in the form of a fluid milk product, except sour cream. Fluid milk products: milk, including concentrated; skim milk; sweet and sour cream; buttermilk; plain and flavored milk and milk drinks; fluid mixtures of cream and milk or skim milk.

b. Not accounted for as Class II milk.

2. Class II. All skim milk and butterfat:

a. Used to produce any product other than a fluid milk product and sour cream.

b. Contained in inventories of fluid milk products at the end of the month.

c. Skim milk dumped, or disposed of for livestock feed upon notification of and verification by the market administrator.

d. In shrinkage of producer milk and other source milk not in excess of 2 percent.

Transfers Between Regulated Plants:

1. Transfers from one regulated plant to another:

a. In the form of fluid milk products are Class I unless utilization in another class is claimed by both plants in which case producer milk at both plants receives priority in Class I over other-source milk.

Transfers to Unregulated Plants:

1. The following are Class I:
 - a. Transfers of fluid milk products to producer-handlers.
 - b. Transfers of fluid milk products in consumer packages.
 - c. Bulk transfers of fluid milk products to unregulated plants within 150 miles of Corydon, Creston, Des Moines, Grinnell, Jefferson and Ottumwa, whichever is nearest, unless another class is claimed by the transferring handler and Class I utilization at the unregulated plants does not exceed receipts from dairy farmers. If Class I utilization does exceed such receipts, the Class I excess is prorated to receipts at such plant from all Federal order plants.
 - d. Transfers of fluid milk products to plants over 150 miles from Corydon, Creston, Des Moines, Grinnell, Jefferson and Ottumwa, Iowa whichever is nearest.

Receipts from Unregulated Plants:

1. Classification. Beginning with Class II, after deduction for shrinkage in producer milk, subtract receipts from unregulated plants in the following order (remainder is Class I):
 - a. Fluid milk products not priced under another order.
 - b. Non-fluid milk products.
 - c. Fluid milk products priced under another order remaining after subtracting 5 percent of producer milk.
2. Compensatory payments. Apply to "a" and "b" receipts in Class I above. Payment rate: Class I price adjusted by butterfat and location differentials (In the case of non fluid milk products, Class I price is adjusted only by butterfat differential) less:

April-June: Class II price, adjusted by Class II butterfat differential.

July-March: Uniform price, adjusted by Class I butterfat differential.

Class Prices:

1. Basic formula. No provision.
2. Class I. Class I price under Federal Order No. 41, (Chicago, Illinois marketing area, 55-70 mile zone) plus 35 cents. From September 1, 1959, through April 30, 1960 the effect of the Chicago supply-demand adjuster on the Des Moines Class I price is limited to 10 cents.

For milk received at regulated plants outside the base zone price is reduced 10 cents. 1/

1/ Base zone means all the territory within Polk County, Iowa.

3. Class II. (Chicago 93 (92)-score butter price x 4.24) + (Chicago area spray powder price x 8.2) - 75.2 cents.

Butterfat Differentials (3.5 percent butterfat test):

1. Class I. Chicago 92-score butter price for the preceding month x .12.
2. Class II. Chicago 92-score butter price for the current month x .11.
3. Producer. Weighted average of Class I and Class II differentials.

Location Differentials:

1. Class I and producer. Apply to plants located 60 miles or more from Corydon, Creston, Des Moines, Grinnell, Jefferson, and Ottumwa, whichever is closest; deduct:

- a. 10 cents - 60 to 75 miles
- b. 1.5 cents - each additional 10 miles.

The uniform price for producer milk received at a pool plant outside the base zone shall be reduced 10 cents. 1/

Type of Pool:

1. Marketwide, monthly pool.

Expense of Administration:

1. Operators of regulated plants pay administrative costs not to exceed 4 cents per hundredweight of producer milk and other source milk allocated to Class I.
2. Operators of unregulated distributing plants pay the same rate as regulated plants on Class I route disposition in the marketing area, or on all milk received from dairy farmers, if they elect to make payments to dairy farmers at order prices - see Special Handler Provisions.

Special Producer Provisions:

1. Marketing service. Deductions as authorized by membership contracts must be paid to qualified cooperative associations. A charge not to exceed 5 cents per hundredweight, deductible from non-members must be paid to the market administrator.
2. Base payment. No provision.

1/ Base zone means all territory within Polk County, Iowa.

Special Handler Provisions (Unregulated Plants):

1. Plants subject to other Federal Orders. Handlers who dispose of a greater portion of their fluid milk products on routes in the marketing area of another order are not subject to regulation under this order, except for reports which may be required by the market administrator.
2. Unregulated plants not subject to other Federal orders. Operators of such plants are required to:
 - a. Submit required reports to the market administrator.
 - b. Pay specified administrative assessment - see "Expense of Administration" provision.
 - c. Make compensatory payments:
 - (1) On Class I route disposition in the marketing area; rate is that applicable to receipts from unregulated by regulated plants.
or, if the handler so elects,
 - (2) On all milk received from dairy farmers; amount paid is the difference between class values at order prices and payments to dairy farmers.

